

# HOUSE BILL REPORT

## HB 2797

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### As Reported by House Committee On: Health Care

**Title:** An act relating to providing access to the basic health plan for individuals eligible for the health coverage tax credit under the Trade Act of 2002 (P.L. 107-210).

**Brief Description:** Increasing access to health insurance options for certain persons eligible for the Federal Health Coverage Tax Credit under the Trade Act of 2002 (P.L. 107-210).

**Sponsors:** Representatives Morrell, Cody, Linville, Simpson, G., Edwards, Kenney and Ormsby; by request of Insurance Commissioner.

#### **Brief History:**

##### **Committee Activity:**

Health Care: 1/28/04, 2/4/04 [DPS].

#### **Brief Summary of Substitute Bill**

- Provides Basic Health Plan coverage for workers displaced by the effects of international trade who are eligible for federal trade adjustment assistance benefits.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Morrell, Vice Chair; Bailey, Ranking Minority Member; Alexander, Benson, Campbell, Clibborn, Darneille, Edwards, Moeller, Rodne, Schual-Berke and Skinner.

**Staff:** Dave Knutson (786-7146).

#### **Background:**

One of the effects of international trade is domestic job loss and dislocation. To help workers who lose their jobs as a result of international trade, Congress enacted the Trade Act of 2002 (P.L. 107-210). The Trade Act provides a federal tax credit that subsidizes private health insurance coverage for displaced workers certified to receive certain trade adjustment assistance benefits and for persons over age 55 who receive benefits from the pension benefit guaranty corporation.

**Summary of Substitute Bill:**

The administrator of the Health Care Authority will collect premiums for the Basic Health Plan from health coverage tax credit eligible enrollees in an amount sufficient to cover the cost charged by the managed health care system provider, plus the administrative cost of providing the plan to the enrollee. The administrator will establish a mechanism for receiving premium payments from the Internal Revenue Service for health coverage tax credit eligible enrollees.

**Substitute Bill Compared to Original Bill:**

The time spent on the Basic Health Plan by a person eligible for the federal health coverage tax credit will be credited against the preexisting condition exclusion. People eligible for the health coverage tax credit program who leave the Basic Health Plan and apply for individual health coverage will not have to take the health questionnaire.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** People who lose their job because of international trade need a way to maintain their health insurance. The federal government offers a health coverage tax credit, and the state should help eligible workers take advantage of it.

**Testimony Against:** None.

**Persons Testifying:** (In support) Beth Berendt, Office of the Insurance Commissioner; Robby Stern, Washington State Labor Council; and Pete Cutler, Health Care Authority.

**Persons Signed In To Testify But Not Testifying:** None.